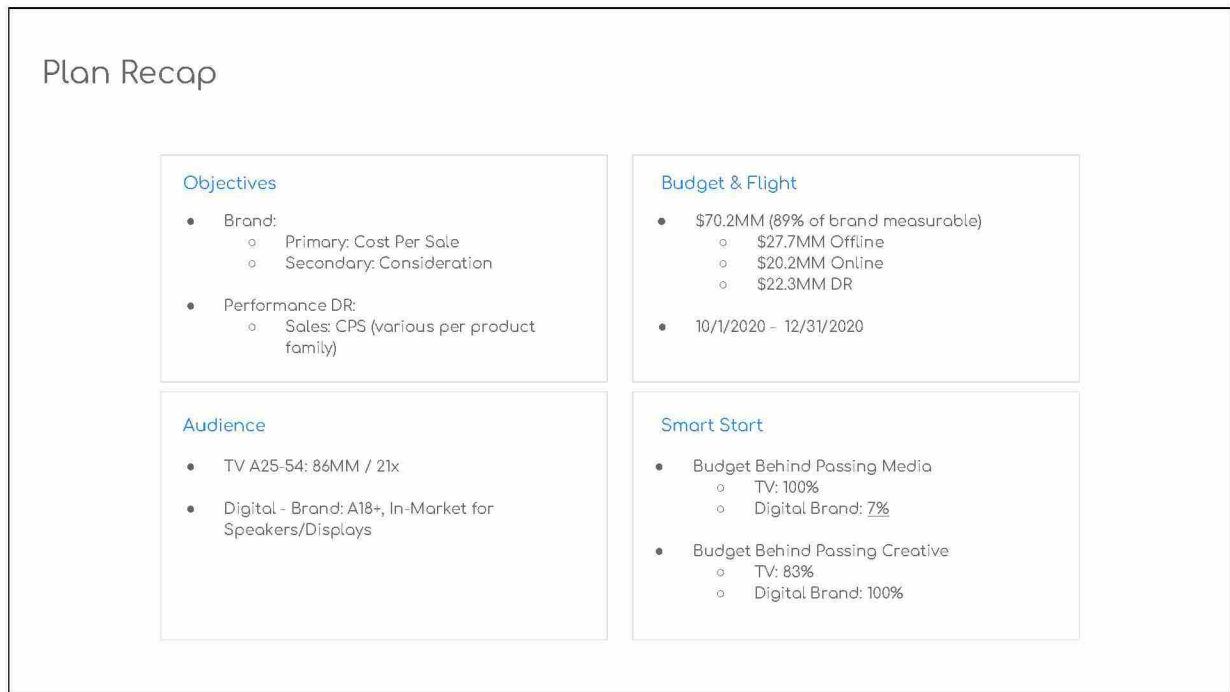


Alison



Erika

101.5MM reach planned based on PFC 1.5

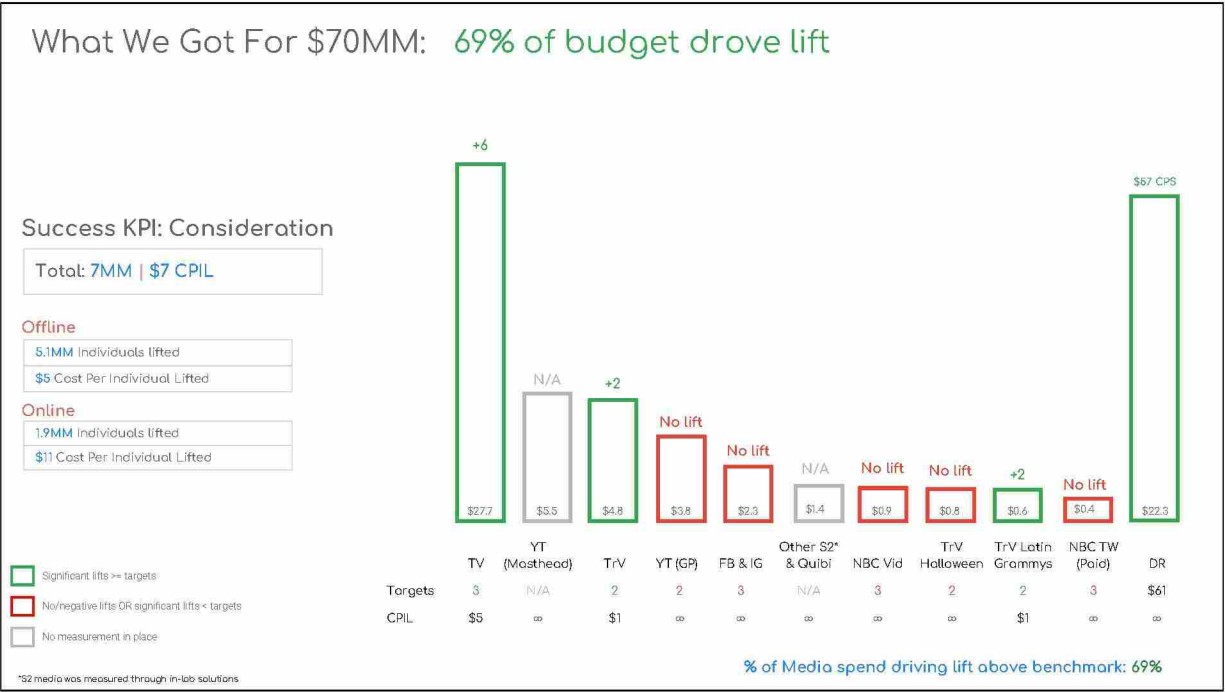
Budget behind passing creative including untested spend: 79% (including untested spend)

%Creative Pass inclusive of untested budget:

Video: 86%

Social: 51%

Total: 79%



Erika

Non-measurable includes Bleacher Report, BuzzFeed, NBC organic social, and Quibi

## What We Learned

- 1 Exceeding PFC minimums on TV drove the most efficient CPIL for D&S to-date  
*Why care? Driving lift is more efficient when TV is planned to optimum weight vs. minimum weight*
- 2 Inability to reach frequency goals limited consideration lift success  
*Why care? Channels failed to optimize to frequency goals, however YT TrV still drove consideration lift.*
- 3 We improved CPS YoY while diversifying channel mix as outcomes of DR Centralization  
*Why care? Advancing D&S Performance measurement in '20 puts us on-track to understand true DR impact*

Erika & Steve

1

Exceeding PFC minimums on TV drove the most efficient CPIL for D&S to-date

WHY CARE

The Nest Q4-20 TV plan exceeded weight minimums due to efficiencies gained from heavy :15s, incremental budget & Pixel's shifted inventory.

These three factors drove 2x the expected lift. This was the strongest lift to-date for D&S at the most efficient CPIL.

	Q4-20 Planned	Q4-20 Delivered
Spend	\$23MM	\$28MM
6x+ Reach	71%	74%
Lift	+3 <sup>1</sup>	+6
Users Moved	2.6 <sup>1</sup>	5.1
CPIL	\$9 <sup>1</sup>	\$5

1. Expected impact  
Source: Dynata, MSO

Erika  
19 / 20

1

Exceeding PFC minimums on TV drove the most efficient CPIL for D&S to-date

Do | Later

Include TV optimums in Smart Brief and PFC 3.0  
PHD (Michelle) | MLMO (Harry)

Ensure TV unit mix includes :15s to maximize weight and efficiency  
PHD (Trish) | ML (Shawntina)

Implement concept testing to ensure there are passing TV assets prior to launch  
PHD (Jordan) | MLMO (Tommy)

Impact | Later

	Q4-21 Scenarios		
Unit Mix	50% :30s / 50% :15s	60% :15s / 40% :30s	75% :15s / 25% :30s
Spend			
Pass PFC	✗	✓	✓
6x+ Reach	69	70	74
Lift	-	+3	+5
Users Moved (MM)	-	2.5	4.5
CPIL	-	\$12	\$7

Erika

## 2

## Inability to reach frequency goals limited consideration lift success

## WHY CARE

Initial 2x/week frequency was approved in the tactical based on primary KPI of CPS. Post launch, guidance was provided to optimize towards the 3x PFC minimum.

For social, high CPMs (IG), campaign pauses (IG), audience sizes (FB ISR), and inventory availability (FB ISR) were also factors for not reaching 3x/week frequency.

However, YT TrV VAS drove 2.3pt consideration lift which could be attributed to In-Market audiences, and VAS format.

Tactic	Audience	Delivered Wkly. Freq.	Consid. Lift	Consideration Baselines	Awareness Baselines
YT TrV VAS	In-Market	2.7	2.3pt	35%	63%
YT Select	Affinity	2.6	no lift	33%	F1: 60% F2: 66%
FB & IG	Interests	1.9	no lift	13%	55%

Consideration goal: 2.0pt  
Source: YouTube BLS 2.0, DV360 BLS, Facebook on-platform BLS

Steve

Facebook ISR audience:

18+ Consumer Electronics Targeting with Mobile User segmentation

Instagram audience:

18 - 65+ AND (US Market) AND (English Language) AND (Interest in Home Decor Products, Home Improvement, Home Decoration & Design, Home Appliances, Home Security)

YouTube TrV audiences:

Base In-Market: (A18-65+) AND (US Market) AND (English Language) AND (Home Décor OR Home Improvement OR Stereo Systems OR Home Security OR Home Theater Systems OR Climate Control & Air Quality OR Home Appliances)

YouTube Select audiences:

Affinity audiences/Media & Entertainment/Music Lovers/Blues Fans

Affinity audiences/Media & Entertainment/Music Lovers/Jazz Enthusiasts

Affinity audiences/Media & Entertainment/Music Lovers/Metalheads

Affinity audiences/Lifestyles & Hobbies/Green Living Enthusiasts

Affinity audiences/Sports & Fitness/Sports Fans/Basketball Fans

Affinity audiences/Media & Entertainment/Movie Lovers/Family Movie Fans

Affinity audiences/Media & Entertainment/Movie Lovers/Action & Adventure Movie Fans

Affinity audiences/Media & Entertainment/Movie Lovers/Horror Movie Fans

2 Inability to reach frequency goals limited consideration lift success	
<div>Do   Later</div> <div>Prioritize in-market audiences rather than affinity audiences via reallocations from YT Select (GP) to YT TrV. Essence (Stephen Grap)   ML (Andrew Wong)</div> <div>Ensure plans are meeting PFC requirements to align with in-flight Consideration KPI measurement. Essence (Stephen Grap)   ML (Andrew Wong)</div>	<div>Impact   Later</div> <div>Reallocation entirely to YT TrV would have resulted in up to 1.7MM incremental lifted users.</div> <div>Meeting PFC frequency minimums will increase opportunity for tactics to drive consideration lift.</div>

Steve

3

We improved CPS YoY while diversifying channel mix as outcomes of DR Centralization

## WHY CARE

Inclusive of Assistant (\$60 eCPS) and Non-Assistant (\$55 eCPS) products, achieved aggregate-level CPS (\$57) under projected target (\$61). Displays went OOS prior to Cyber Monday, impacting ability to scale.

+20% Units sold on -16% investment YoY; improved acct. hygiene to Shopping and GDN RMKT were key efficiency drivers, a credit to DR Centralization.

Non-SEM channels credit improved with the ADH MTA (Paid Media) model vs last click; 2021 validation of incrementality via CLS - and CAM models - crucial to determine optimal tactical budget allocation.

Channel	Spend (MV) ↓	CPS Last Click	CPS MTA	Soles Last Click	Soles MTA
SEM	\$10.5M	\$35	\$65	298.6k	161.4k
GDN	\$3.4M	\$683	\$50	5.0k	68.8k
DV360	\$2.7M	\$1.1K	\$67	2.4k	39.5k
Reddit	\$0.8M	\$337	\$217	2.4k	3.7k
Amazon DSP	\$0.2M	\$1.7K	\$74	0.1k	2.4k
<b>Core Subtotal</b>	<b>\$17.5M</b>	<b>\$57</b>	<b>\$64</b>	<b>308.4K</b>	<b>275.8K</b>
YouTube	\$4.3M	\$5.7K	\$121	0.8K	35.6K
GDN	\$0.4M	\$111	-	0.3K	0.0K
eBay	\$0.1M	\$1.1K	\$551	0.0K	0.2K
Snapchat	\$0.0M	\$12	-	2.1K	0.0K
SEM	\$0.0M	\$0	-	0.0K	0.0K
<b>Test Subtotal</b>	<b>\$4.8M</b>	<b>\$779</b>	<b>\$135</b>	<b>3.2K</b>	<b>35.8K</b>
<b>Total</b>	<b>\$22.3M</b>	<b>\$72</b>	<b>\$72</b>	<b>311.6K</b>	<b>311.6K</b>

Source: Google CLS, Snapchat CLS, Google ADH

Steve

3

We improved CPS YoY while diversifying channel mix as outcomes of DR Centralization

Do   Now	Impact   Now
<p>Expand CLS measurement where there were gaps in GDN, DV360; experiment with Google SEM CLS (alpha) Essence (Sam Lee, Max S., Ryan Jones)</p> <p>Leverage Q4'20 MTA refreshed results and apply learnings to Q1'21 media mix (January '21) Essence (Ryan Jones)   MLP (Jimmy Chung &amp; Elliot Edgemon)</p>	<p>We will increase our CLS comp. measured from 20% to 80%, enabling better channel mix and testing recommendations.</p> <p>Shifting investment away from Banners and into YouTube and Social may increase Units Sold by up to 10% in H1'21 vs. projected Last-Click waterfall.</p>

Source: Ads Data Hub; Essence Tranche Analysis

Steve

3 We improved CPS YoY while diversifying channel mix as outcomes of DR Centralization	
Do   Later	Impact   Later
<p>Validate the incrementality on MTA (Paid Media) through MMT Essence (Sam Lee &amp; Max S.)   MLP (Matt Klemchuk &amp; Elliot Edgemon)</p> <p>Integrate ADH directly into reporting automation, increasing multiplier updates from monthly (H1'21) to real-time (TBD 2022). Essence (Sam Lee &amp; Max S.)   MLP (Matt Klemchuk &amp; Elliot Edgemon)</p>	<p>Allow quantification the incrementality of Gstore on 3PR sales</p> <p>Increase our channel mix optimizations by 4x, improving from monthly manual adjustment to weekly.</p>

Bain & Company and Google, Measurement Maturity Survey, N=622 marketing executives from companies in the U.S., Canada, and the U.K. with over \$50M in revenues; companies scored on sophistication of measurement, activation of that measurement, and ways of working, Dec. 2018-Jan. 2019.

Summary

DO   NOW	IMPACT   NOW
Expand CLS measurement where there were gaps in GDN, DV360; experiment with Google SEM CLS (alpha)  Leverage Q4'20 MTA refreshed results and apply learnings to Q1'21 media mix (January '21)	Allow quantification the incrementality of Gstore on 3PR sales  Shifting investment away from Banners and into YouTube and Social may increase Units Sold by up to 10% in H1'21 vs. projected Last-Click waterfall.
DO   LATER	IMPACT   LATER
Prioritize in-market audiences rather than affinity audiences via reallocations from YT Select (GP) to YT TrV.  Ensure plans are meeting PFC requirements to align with in-flight Consideration KPI measurement	Reallocation entirely to YT TrV would have resulted in up to 1.7MM incremental lifted users.  Meeting PFC frequency minimums will increase opportunity for tactics to drive consideration lift.
Validate the incrementality on MTA (Paid Media) through MMT  Integrate ADH directly into reporting automation, increasing multiplier updates from monthly (H1'21) to real-time (TBD 2022)	Allow quantification the incrementality of Gstore on 3PR sales  Increase our channel mix optimizations by 4x, improving from monthly manual adjustment to weekly.

Steve



Thank you  
[Link to Data](#)



Appendix

Calculations

Metric	Formula
% of budget driving any lift	(Spend driving consideration lift) / (Total brand spend INCLUDING mastheads and unmeasurable )
% of budget driving lift above target	(Spend driving on-target consideration lift) / (Total brand spend INCLUDING mastheads and unmeasurable )